

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 5, 2009
POSITION: Oppose

BILL NUMBER: SB 457
AUTHOR: L. Wolk

BILL SUMMARY: Sacramento-San Joaquin Delta

This bill would establish an eight member Delta Stewardship Council (Council) within the Natural Resources Agency, require the Delta Protection Commission (DPC) to prepare a draft Delta Stewardship Plan (Plan), and require the Council to approve the Plan by January 1, 2011. The purpose of the plan is to achieve the primary goals of the Delta Vision. This bill would also establish the Delta Science and Engineering Program and the Delta Stewardship Fund.

FISCAL SUMMARY

While this bill would establish a new special fund to support "regional economic development consistent with the Plan", it is unclear whether this fund could be used to support the Council or the DPC's related activities. Even if support of the Council and the DPC are eligible uses of the new fund, the bill does not identify a specific, available source of revenue for the fund. This would create pressure on the General Fund and other state funds to support the Council. Based on the cost of recently established state conservancies, Finance estimates initial state operations costs in excess of \$2 million General Fund. Many other state conservancies are supported by the Environmental License Plate Fund, however, this Fund is oversubscribed and cannot support these additional expenditures. Similarly, other special funds and the General Fund have insufficient revenues to support any new appropriations.

This bill would also require cities and counties to update their general plans to be consistent with the Plan. As such, this bill could create a state-mandated local program. Without a revenue source to support the Delta Stewardship Fund, these costs would likely be born by the General Fund.

COMMENTS

Finance opposes this bill as it does not provide a revenue source to support the activities required in this bill. Other appropriate special funds and the General Fund have insufficient revenues to support any new costs.

(Continued)

Analyst/Principal (0631) M. Almy	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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L. Wolk

May 5, 2009

SB 457

ANALYSIS**A. Programmatic Analysis**

This bill would do all of the following:

- Establish the eight member Council within the Natural Resources Agency.
- Provide the Council with various powers and duties including determining appeals from the DPC water supply decisions on consistency with the Plan, responsibility for any conservation or habitat management plan developed for the Delta by the state or federal government, determining consistency of the Bay Delta Conservation Plan or an environmental impact report for any significant Delta conveyance facility, the power to sue to ensure compliance with the Plan, and the power to receive and allocate funds.
- Declare the Delta Vision Strategic Plan as the interim plan for the Delta, pending the Council's adoption of the Plan by January 1, 2011.
- Require implementation of all plans for the Delta, including local government and other state and federal agencies planning, decision making and operations, to be consistent with the Plan.
- Establish the Delta Stewardship Fund to receive funding for regional economic development consistent with the Plan.
- Establish the Council appointed Delta Science and Engineering Board as the successor to and replacement of the CALFED Independent Science Board.
- Require the DPC to identify and address inconsistencies between the State Water Resources Control Board water quality plans and the Plan by December 31, 2010.
- Require the DPC to develop the Plan consistent with the federal Coastal Zone Management Act, based on the DPC's resources management plan and the Central Valley Flood Protection Plan and any other foundational water supply and species protection plans, and present a draft Plan to the Council by October 1, 2010.
- Declare that if the Commission on State Mandates determines the act contains costs mandated by the state, reimbursement shall be made pursuant to existing law.

B. Fiscal Analysis

While this bill would establish a new special fund to support "regional economic development consistent with the Plan", it is unclear whether this fund could be used to support the Council. Even if support of the Council is an eligible use of the new fund, the bill does not identify a specific, available source of revenue for the fund. This would create pressure on the General Fund and other state funds to support the Council. Based on the cost of recently established state conservancies, Finance estimates initial state operations costs in excess of \$2 million General Fund. Many other state conservancies are supported by the Environmental License Plate Fund, however, this Fund is oversubscribed and cannot support these additional expenditures. Similarly, other special funds and the General Fund have insufficient revenues to support any new appropriations.

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		SO	(Fiscal Impact by Fiscal Year)							
Code/Department		LA	(Dollars in Thousands)							
Agency or Revenue		CO	PROP						Fund	
Type		RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code
3860/Water Res		SO	No	-----	See Fiscal Summary	-----				0001
3840/DeltaProtCom		SO	No	-----	See Fiscal Summary	-----				0516
<u>Fund Code</u>	<u>Title</u>									
0001	General Fund									
0516	Harbors and Watercraft Revolving Fund									